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# THE AGRICULTURAL SITUATION

## *A Brief Summary of Economic Conditions*

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

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### ANOTHER BACKWARD AND UNCERTAIN SEASON

Once more farmers are handicapped by a backward spring season. A year ago, it will be remembered, the country was suffering from prolonged rains which finally culminated in the Mississippi flood. This spring there has been a good deal of rain over much of the country which, coupled with severe cold waves, has held back field work and seriously retarded germination or growth where early crops have been planted. Considerable replanting of cotton and corn has been made necessary in the South, incidentally with complaints of a scarcity of good cottonseed in many sections.

The hard frosts of last month apparently did not find fruit buds far enough along to be heavily damaged, except in sections of the Southwest. There was some damage to peaches, pears, and plums in the Central States; but the apple prospect and the general southern peach prospect are still good, and the same can probably be said of strawberries and citrus fruits. Last year was a poor fruit year. So far this season, it looks different.

Among the important cash crops now going into the ground, apparently potatoes are slated for one of the greatest increases in acreage. Growers have reported their intention to plant nearly 12 per cent more than last season's acreage. This increase may not actually occur; but if it does occur, and if 1928 is an average growing season, there is a real chance of a potato crop big enough to break the market next fall. Now is the time for potato growers to ponder all the possibilities.

The livestock industries have closed a favorable winter marketing period, except in the case of hogs. Beef cattle, dairy, and lamb markets all have done well. The strength of this season's lamb market, in fact, was a surprise to many. The explanation seemed to lie largely in three facts. One was the higher pelt value, reflecting higher wool prices. The second was that the decreased number of lambs fed in the East Central States more or less offset the large increases in the West. The third was that the large numbers of western lambs were marketed in an orderly way, and no gluts of dressed lambs occurred in the big eastern cities where lamb prices most easily make or break.

Hog slaughter was about 25 per cent greater this last winter than during either of the two previous winters. Packers bought these hogs for about 29 per cent less money than they paid in either of the two previous winters. Such is the story of last year's over-large pig crop. It appears that there is still a heavy total supply of hogs and stored pork in sight for the next six months. By next fall, however, there is reason to expect a more favorable hog situation.

## KEY REGIONS AT A GLANCE

**The East.**—Getting field work slowly underway. Sowing oats in north and beginning to fit land for later crops. Maple sugar harvest reported not very large. Some potatoes up from New Jersey southward and preparation of land in progress for other crops. Occasional reports of frost damage to fruit during April but not extensive. Winter damaged wheat, pastures, and meadows, especially young clover and alfalfa. Spring sales show high prices for dairy cows, likewise tendency toward higher prices for heavy horses.

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**The South.**—Season backward. Field work, germination, and growth of crops where planted all retarded last month by cold, wet weather. Frosts during mid-April did considerable damage to fruits and tender truck and necessitated much replanting of cotton and corn. Planting operations have proceeded very slowly. Pastures and some crops like oats and potatoes are in fairly good condition. Generally good supply of moisture in soil but crops are in need of warmth and sunshine.

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**Corn Belt.**—Season backward. Rains, snow, and cold weather last month interrupted field work and seriously retarded oats and wheat. Freeze of April 15 damaged grain and early fruit over widespread area. Much winter wheat plowed up. Considerable land prepared for corn in some sections, but this work is mostly behind schedule. Run of hogs to market during February and March heaviest on record for those two months. General sentiment suggests some curtailment in pig production this year.

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**Wheat Belt.**—Spring work has made fair progress though cold and bad weather in north has hampered spring-wheat seeding. Winter wheat shows good growth in eastern Nebraska and Kansas; jointing in latter section. In western Kansas and southward into Oklahoma and Texas the grain has suffered from drought and unfavorable winter conditions. Other spring crops—oats, barley, potatoes, etc.—are mostly planted but have made very slow start by reason of cold, wet weather.

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**Range Country.**—Been cold and backward throughout north. Grass starting slowly, though stock has gradually been going out on lower ranges. Sheep shearing delayed in some sections and some losses of lambs reported in western Colorado. Spring grain and other northern crop work progressing slowly. Southern irrigated valleys report large plantings of sugar beets, melons, truck crops, etc. Some frost injury to fruit reported in south; otherwise general conditions are good as concerns livestock, ranges, and crops.

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**Pacific Coast.**—Much wet weather in north last month, retarding spring work and to some extent unfavorable for fruit. Also some damage to fruit from frost. Trees generally show heavy set of fruit, however, in California as well as in the north. Oranges blooming heavily in south. California conditions good, on the whole, with rice and considerable cotton planted and early spring crops showing promising growth.



## WHEAT CONDITION AS OF APRIL 1, 1928

Comparisons for winter wheat, by geographic divisions (condition figures representing per cent of normal):

Geographic division	Winter wheat—Condition				
	Dec. 1, 1927	Apr. 1			
		10-yr. av. 1918- 1927	1926	1927	1928
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
North Atlantic.....	94.0	86.6	76.7	83.0	73.3
North Central.....	85.7	80.8	81.8	82.5	62.3
South Atlantic.....	90.5	86.9	80.0	85.9	71.2
South Central.....	79.3	79.7	90.2	86.7	74.7
Western.....	90.4	85.2	90.1	89.5	87.0
United States.....	86.0	81.9	84.1	84.5	68.8

The condition on April 1 of winter wheat planted last fall stood at the low figure of 68.8 per cent of normal according to the crop correspondents of the United States Department of Agriculture. Only twice, in 1917 and 1925, has the April 1 figure been as low since the beginning of the department's record in 1879.

In the Plains States, which grow the bulk of the hard red winter wheat, the April 1 condition was reported as about average, but in the Ohio Valley States, where most of the soft red winter wheat is grown, the reports confirmed the earlier indications of extremely low condition and heavy abandonment.

In Ohio, Indiana, Illinois, Missouri, and Kentucky the condition of the soft red winter wheat was the lowest reported for April 1 since 1879. The condition of soft red winter wheat is, almost without exception, low throughout the area of its growth. The South Atlantic and South Central States east of the Mississippi River report the crop to be one of the poorest on record. The average United States condition of soft red winter wheat was 55 per cent, compared with a 10-year average of 82 per cent.

The condition of hard red winter wheat in Nebraska, Kansas, Oklahoma, and Texas combined was about 1 per cent better than the 10-year average, but in Colorado it was 13 points below average due to lack of moisture, and where grown in Illinois it suffered along with the soft wheat.

Winter wheat in the Rocky Mountain and Pacific Coast States was reported as generally good to excellent.

*Rye.*—The condition of rye was reported as 79.3 per cent compared with a 10-year average on April 1 of 85.8 and a previous low record of 80.2. Rye, like wheat, suffered severely from winter-killing in the Ohio Valley, and the States in that area report the lowest April 1 condition on record. In Ohio, where the situation is the worst, the condition was reported as 47 per cent, compared with a previous low record for April of 68 per cent. A low condition of rye was also reported from Michigan and Wisconsin, although part of the crop there was still covered with snow. The low condition of rye in the Eastern, Southern, and East North Central States was, however, partially offset by approximately average prospects in North Dakota and other important North Central States west of the Mississippi, and in most of the Western States.

## AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. av- Aug., 1909- July, 1914	March aver- age, 1910- 1914	March, 1927	Febru- ary, 1928	March, 1928
Cotton, per lb.....cents--	12. 4	12. 4	12. 5	17. 0	17. 8
Corn, per bu.....do----	64. 2	61. 3	65. 2	79. 0	86. 2
Wheat, per bu.....do----	88. 4	88. 9	120. 9	116. 2	121. 6
Hay, per ton.....dollars--	11. 87	12. 06	13. 48	10. 24	10. 19
Potatoes, per bu.....cents--	69. 7	67. 5	127. 0	96. 2	113. 2
Oats, per bu.....do----	39. 9	40. 3	43. 4	51. 3	54. 5
Beef cattle, per 100 lbs.dollars--	5. 22	5. 29	6. 82	8. 72	8. 81
Hogs, per 100 lbs.....do----	7. 23	7. 41	10. 89	7. 62	7. 48
Eggs, per doz.....cents--	21. 5	19. 3	20. 8	29. 1	23. 4
Butter, per lb.....do----	25. 5	25. 6	43. 5	43. 9	43. 9
Butterfat, per lb.....do----			48. 0	46. 0	46. 5
Wool, per lb.....do----	17. 7	18. 7	31. 3	34. 4	35. 4
Veal calves, per 100 lbs.dollars--	6. 75	6. 92	10. 10	11. 30	11. 34
Lambs, per 100 lbs.....do----	5. 91	6. 22	11. 55	11. 90	12. 31
Horses, each.....do----	142. 00	144. 00	79. 00	82. 00	85. 00

The decline in hog prices continued during March. The relative farm price was at the lowest point since July, 1924. The decline may be accounted for largely by the continuation of heavy market receipts. The unfavorable feeding ratio may be a factor in causing the heavy marketings. The corn-hog ratio declined from 9.6 to 8.7.

The farm price of corn from February 15 to March 15 advanced approximately 10 per cent over the preceding month. The higher farm price for this month may be explained to a large extent by the light receipts and good foreign demand. The better quality may also explain to some extent the higher prices received by farmers.

The farm price of potatoes advanced during the period February 15 to March 15, the relative farm price going up from 138 to 162. This advance was probably the reflection of the short supply in the East which has been accompanied by rising prices.

The United States average farm price of wool on March 15 was about 4 cents above March a year ago. In the Far Western States the price was 5 cents above last year as compared to an increase of only 2 cents in the North Central States. As very little wool is actually being sold at this season of the year, the prices reported in the Western States probably represent the contract price or what the farmer will receive for the spring clip. This price would be largely influenced by the central market quotations. In the North Central States the prices reported are more likely the prices received for the last sales which at this season would be last year's wool. As a result, the Far Western farm prices reflect the market advance in wool prices more quickly and to a greater extent than is the case in the States farther East.

## PRICE INDEXES FOR MARCH, 1928

Farm products figures from this bureau; commodity groups from Bureau of Labor Statistics (latter shown to nearest whole number.) Shows year ago and latest available month.

## FARM PRODUCTS

[Prices at the farm; August, 1909–July, 1914=100]

	March, 1927	Febru- ary, 1928	March, 1928	Month's trend
Cotton.....	101	137	144	Higher.
Corn.....	102	123	134	Do.
Wheat.....	137	131	138	Do.
Hay.....	114	86	86	Unchanged.
Potatoes.....	182	138	162	Higher.
Beef cattle.....	131	168	169	Do.
Hogs.....	150	105	103	Lower.
Eggs.....	97	135	109	Do.
Butter.....	171	172	172	Unchanged.
Wool.....	176	193	199	Higher.

## COMMODITY GROUPS

[Wholesale prices; 1926=100]

	March, 1927	Febru- ary, 1928	March, 1928	Month's trend
Farm products.....	94	104	104	Unchanged.
Foods.....	94	99	98	Lower.
Hides and leather products.....	100	124	124	Unchanged.
Textile products.....	94	97	96	Lower.
Fuel and lighting.....	90	81	81	Unchanged.
Metals and metal products.....	98	98	98	Do.
Building materials.....	97	91	91	Do.
Chemicals and drugs.....	97	96	96	Do.
House-furnishing goods.....	98	98	98	Do.
All commodities.....	94	96	96	Do.



## GENERAL TREND OF WAGES AND PRICES

[1910-1914=100]

Year and month	General wage level <sup>1</sup>	Farm wages <sup>2</sup>	Retail price of food <sup>3</sup>	Whole-sale price of food <sup>3</sup>	Whole-sale price, all commodities <sup>4</sup>
1910.....		97	96	100	103
1911.....		97	95	96	95
1912.....		101	101	103	101
1913.....		104	103	99	102
1914.....	<sup>5</sup> 100	101	106	101	100
1915.....	101	102	104	104	103
1916.....	114	112	117	120	129
1917.....	129	140	151	166	180
1918.....	160	176	174	187	198
1919.....	185	206	192	205	210
1920.....	222	239	210	218	230
1921.....	203	150	158	143	150
1922.....	197	146	146	137	152
1923.....	214	166	151	143	156
1924.....	218	166	150	143	152
1925.....	223	168	162	156	162
1926.....	229	171	166	152	154
1927.....	231	170	160	148	149
March—					
1921.....	212		161	150	158
1922.....	193		143	136	145
1923.....	212		146	142	161
1924.....	222		156	140	153
1925.....	224		149	158	164
1926.....	229		165	150	154
1927					
January.....	232	162	164	149	150
February.....	231		161	147	149
March.....	234		159	146	148
April.....	230	166	158	146	147
May.....	230		160	147	147
June.....	230		163	145	146
July.....	228	172	158	144	147
August.....	231		157	145	149
September.....	233		159	149	152
October.....	231	175	161	152	153
November.....	226		161	153	152
December.....	233		161	151	152
1928					
January.....	230	161	160		
February.....	230		156		
March.....	233		156		

<sup>1</sup> Average weekly earnings, New York State factories.<sup>2</sup> Index based on both monthly and daily wages.<sup>3</sup> Bureau of Labor Statistics index numbers converted to 1910-1914 base.<sup>4</sup> Bureau of Labor Statistics.<sup>5</sup> June



## GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August, 1909–July, 1914=100]

Year and month	Index numbers of farm prices							Wholesale prices of nonagricultural commodities	Relative purchasing power of farmer's product
	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cottonseed	All groups 30 items		
1910.....	104	91	103	100	104	113	103	102	101
1911.....	96	106	87	97	91	101	95	96	99
1912.....	106	110	95	103	101	87	99	100	99
1913.....	92	92	108	100	101	97	100	105	95
1914.....	103	100	112	100	105	85	102	97	105
1915.....	120	83	104	98	103	78	100	101	99
1916.....	126	123	120	102	116	119	117	138	85
1917.....	217	202	173	125	157	187	176	182	97
1918.....	226	162	202	152	185	245	200	188	107
1919.....	231	189	206	173	206	247	209	199	105
1920.....	231	249	173	188	222	248	205	241	85
1921.....	112	148	108	148	161	101	116	167	69
1922.....	105	152	113	134	139	156	124	168	74
1923.....	114	136	106	148	145	216	135	171	79
1924.....	129	124	109	134	147	211	134	162	83
1925.....	156	160	139	137	161	177	147	165	89
1926.....	129	189	146	136	156	122	136	161	85
1927.....	128	155	139	138	141	128	131	152	86
March—									
1920.....	246	279	184	189	205	298	222	247	90
1921.....	131	125	125	160	131	80	123	177	70
1922.....	111	181	118	133	118	131	123	155	79
1923.....	117	130	110	148	130	224	136	179	76
1924.....	114	123	104	146	109	219	131	166	79
1925.....	172	138	145	137	124	195	151	165	91
1926.....	133	220	147	141	128	133	140	162	87
1927.....	121	140	144	139	115	102	126	153	82
1927									
September....	134	145	142	135	143	179	140	152	92
October.....	128	138	145	139	167	169	139	151	92
November.....	120	136	141	141	189	162	137	151	91
December.....	123	141	138	145	195	153	137	151	91
1928									
January.....	125	144	138	145	177	152	137	151	91
February.....	128	153	139	145	144	141	135	-----	-----
March.....	136	174	139	142	122	147	137	-----	-----

NOTE.—The Bureau of Labor Statistics having changed its method of compiling the wholesale price index, the series showing relative purchasing power in the column at right of this page has been discontinued temporarily.

## THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau.

Year and month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
<b>Total—</b>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000 pounds</i>
1920-----	332, 314	210, 332	42, 121	22, 197	23, 538	402, 755
1921-----	435, 606	340, 908	41, 101	19, 787	24, 168	468, 150
1922-----	413, 106	378, 598	44, 068	23, 218	22, 364	526, 714
1923-----	386, 430	271, 858	55, 330	23, 211	22, 025	545, 380
1924-----	482, 007	278, 719	55, 414	23, 695	22, 201	587, 477
1925-----	346, 381	223, 604	43, 929	24, 067	22, 100	574, 489
1926-----	362, 876	234, 873	39, 772	23, 872	23, 868	572, 935
1927-----	455, 991	241, 245	41, 411	22, 763	23, 935	581, 592
<b>March—</b>						
1920-----	16, 383	22, 510	3, 940	1, 662	1, 315	29, 241
1921-----	20, 927	32, 514	3, 386	1, 566	1, 750	29, 107
1922-----	19, 047	33, 930	3, 411	1, 622	1, 465	37, 468
1923-----	22, 081	24, 710	4, 928	1, 502	1, 430	41, 282
1924-----	17, 434	29, 405	4, 833	1, 556	1, 367	44, 082
1925-----	16, 925	23, 868	3, 528	1, 860	1, 504	40, 725
1926-----	15, 052	20, 080	3, 579	1, 811	1, 695	46, 077
1927-----	17, 504	18, 535	3, 754	1, 743	1, 558	45, 210
1927						
July-----	52, 996	14, 724	3, 046	1, 547	1, 676	67, 282
August-----	78, 909	17, 023	3, 041	2, 065	2, 209	57, 446
September-----	79, 962	21, 259	2, 565	1, 988	2, 848	42, 234
October-----	71, 696	19, 132	3, 039	2, 635	3, 587	38, 301
November-----	42, 394	15, 924	3, 666	2, 346	1, 896	33, 607
December-----	23, 903	36, 777	4, 209	1, 691	1, 609	33, 687
1928						
January-----	22, 313	37, 116	5, 306	1, 771	1, 705	42, 271
February-----	21, 403	44, 453	5, 267	1, 516	1, 669	41, 140
March-----	24, 639	39, 520	4, 639	1, 465	1, 520	45, 748

The movement of wheat to market during March was again relatively heavy for the month. The same was true of corn. The heavy run of hogs also continued, though the movement was less than during January or February.

Market receipts of cattle during March were light for the month, of sheep and lambs and butter about like last year. The relatively heavy supplies of corn located in the West, likewise of lambs, tended to influence the market movement of those products this season.

## THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports, by division of statistical research of this bureau.

Year and month	Wheat <sup>1</sup> including flour	Tobacco (leaf)	Bacon, <sup>2</sup> hams, and shoulders	Lard	Total <sup>3</sup> meats	Cotton running bales
Total—	<i>1,000 Bushels</i>	<i>1,000 Pounds</i>	<i>1,000 Pounds</i>	<i>1,000 Pounds</i>	<i>1,000 Pounds</i>	<i>1,000 bales</i>
1920---	311, 601	467, 662	821, 922	612, 250	1,043,500	6, 111
1921---	359, 021	515, 353	647, 680	868, 942	786, 280	6, 385
1922---	235, 307	430, 908	631, 452	766, 950	733, 832	6, 015
1923---	175, 190	474, 500	828, 890	1,035,382	958, 472	5, 224
1924---	241, 454	546, 555	637, 980	944, 095	729, 832	6, 653
1925---	138, 784	468, 471	467, 459	688, 829	547, 361	8, 362
1926---	193, 861	478, 769	351, 591	698, 971	428, 613	8, 916
1927---	222, 792	506, 751	237, 798	681, 303	302, 936	9, 198
March—						
1920---	17, 324	45, 411	106, 091	69, 430	121, 886	790
1921---	21, 039	45, 445	54, 452	82, 617	63, 091	368
1922---	14, 673	32, 967	54, 763	64, 377	62, 231	452
1923---	11, 011	31, 688	66, 441	109, 187	75, 934	310
1924---	9, 659	61, 172	66, 695	100, 726	74, 464	315
1925---	16, 480	32, 477	53, 853	63, 281	62, 158	708
1926---	7, 039	36, 167	34, 133	64, 259	40, 641	512
1927---	9, 183	41, 669	18, 108	53, 040	23, 754	1, 084
1927						
July-----	12, 100	28, 229	24, 040	46, 972	30, 043	372
August----	28, 347	27, 817	16, 841	50, 816	23, 123	322
September--	39, 765	38, 394	23, 952	59, 736	30, 213	620
October----	36, 347	47, 044	16, 322	50, 355	21, 418	1, 113
November--	26, 961	54, 307	13, 744	49, 636	17, 982	984
December--	12, 211	47, 644	19, 947	62, 855	24, 453	745
1928						
January----	11, 809	42, 600	22, 212	70, 660	27, 102	712
February---	6, 725	41, 355	22, 175	79, 872	27, 850	614
March-----	7, 492	45, 957	28, 016	79, 929	34, 666	596

<sup>1</sup> Wheat flour is converted on a basis of 4.7 bushels of grain equal 1 barrel of flour.

<sup>2</sup> Includes Cumberland and Wiltshire sides.

<sup>3</sup> Includes fresh, canned, and pickled beef, bacon, hams, and shoulders; fresh, canned and pickled pork; fresh mutton and lamb.

<sup>4</sup> Excludes linters.

## GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	March, 1927	Febru- ary, 1928	March, 1928	Month's trend
PRODUCTION				
Pig iron, daily (thousand tons)-----	112	100	103	Increase.
Bituminous coal (million tons)-----	60	41	44	Do.
Steel ingots (thousand long tons)-----	4, 535	4, 045	4, 508	Do.
CONSUMPTION				
Cotton, by mills (thousand bales)----	693	574	581	Do.
Unfilled orders, Steel Corporation (thousand tons).	3, 553	4, 398	4, 335	Decrease.
Building contracts in 27 Northeast- ern States (million dollars).	522	405	523	Increase.
Hogs slaughtered (thousands)-----	2, 386	3, 457	2, 892	Decrease.
Cattle slaughtered (thousands)-----	1, 134	961	940	Do.
Sheep slaughtered (thousands)-----	843	945	814	Do.
MOVEMENTS				
Bank clearings (New York) (billion dollars).	29	27	35	Increase.
Car loadings (thousands)-----	4, 983	3, 590	4, 752	Do.
Mail-order sales (million dollars)-----	41	38	42	Do.
Employees, New York State factories (thousands).	494	462	464	Do.
Average price 25 industrial stocks (dollars).	189	239	256	Do.
Interest rate (4-6 months' paper, New York) (per cent).	4. 00	4. 03	4. 19	Do.
Retail food price index (Department of Labor). <sup>1</sup>	154	152	151	Lower.
Wholesale price index (Department of Labor). <sup>2</sup>	94	96	96	Unchanged.

<sup>1</sup> 1913=100.<sup>2</sup> 1926=100.

Perhaps the surface development which had more notice than any other last month was the great wave of stock market activity. Many records were broken both in prices and volume of trading. The raising of the Federal Reserve rediscount rate in Boston and Chicago, however, later tended to take some of the keen edge off of speculation. The situation respecting interest rates will be interesting to watch.

More fundamental developments such as the increasing activity in steel, building construction, and automobiles appeared to be on the side of improvement. There are still reports of unemployment and still unfavorable conditions in certain industries.

There are no widespread developments in the business situation, however, which will be likely to influence farmers much in their spring program.



## THE EGG AND POULTRY SITUATION

One of the important, and perhaps the most interesting, features of the egg market this spring has been the light supplies available at practically all markets. This situation was caused by receipts no larger than in 1927 for the period, January to March, and storage stocks materially lower. As a result, into-storage price levels were higher than a year ago. The margin in 1928 over 1927 was about a cent and a half in February, when the first into-storage movement began, about 3 cents in March, and 3 to 4 cents through the first three weeks in April. Receipts in April have fallen considerably below April, 1927, and the general belief is that the peak of production has been reached.

Demand on the markets since Easter has been light, and this has made it necessary for increased storing of eggs. In fact, during April, storage movement has been at a heavier rate than in April, 1927. Storage stocks on April 1 were reported as 1,082,000 cases, about 800,000 cases less than a year earlier. Movement reported thus far in April indicates that the report for May 1 will probably show a reduction of the storage shortage compared with a year ago. Trade reports show increased demand for storage purposes at country points, a fact which may explain the fact that receipts have fallen so far short, in April, of the preceding year.

The effect of weather upon production is not definitely known. In some sections it has been cold and rainy, while others have had fairly favorable conditions. While a cold spring tends to hold back the lay, it should be remembered that cool weather usually tends toward a longer laying period. It is too early yet to see what the result will be this year.

Consumption has been apparently good and, for the most part, somewhat more favorable than a year ago. While definite information is not available, general reports are to the effect that retail prices have not generally reflected the full advance over last year's prices. At any rate, trade output for the first three months of the year was heavier than in 1927. In April, and particularly since Easter, the movement into consuming channels has been a little slower.

The poultry situation remains firm. Receipts generally, of both frozen and live, have exceeded those of a year ago. Some quarters interpret this as a marked tendency to reduce flocks, but in view of the prevailing egg price levels it is difficult to see why this should be done. It seems rather more likely that the increase is a response to the higher prices for poultry than a year ago.

Undoubtedly much of the firmness this year is due to the more favorable storage situation. Last year stocks were very large and markets were nervous and unstable. Total holdings on April 1, 1927, were 104,897,000 pounds. This year on the same date stocks amounted to but 83,113,000 pounds.

But little information on the size of this season's hatch is available, but some reports indicate that the cold and wet weather has reduced the number. If this is true, the effects will be seen both in next fall's egg production and next fall's poultry marketings.

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## SUMMARY OF DAIRY STATISTICS

[Million pounds, 000,000 omitted]

## PRODUCTION

	March			January to March, inclusive		
	1928	1927	Per cent change	1928	1927	Per cent change
Creamery butter.....	107	110	- 2. 7	308	307	+ 0. 2
Farm butter.....	39	40	- 1. 1	109	110	- 1. 0
Total butter....	147	151	- 2. 2	459	448	+ 2. 6
Cheese.....	30	29	+ 4. 0	79	74	+ 6. 2
Condensed and evaporated milk.....	181	171	+ 6. 2	416	396	+ 4. 8
Total milk equivalent....	3, 859	3, 893	- 0. 9	10, 603	10, 434	+ 1. 6

## APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Butter.....	156	157	- 1. 7	459	448	+ 2. 6
Cheese.....	41	43	- 3. 4	115	115	- 0. 2
Condensed and evaporated milk.....	187	166	+ 12. 8	455	407	+ 11. 6
Total milk equivalent....	4, 169	3, 893	+ 0. 9	11, 946	11, 588	+ 3. 1

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## COLD-STORAGE SITUATION

[April 1 holdings (shows nearest million; i. e., 000,000 omitted)]

Commodity	5-year average	Year ago	Month ago	April 1, 1928
Creamery butter..... pounds--	9	3	14	6
American cheese..... do-----	29	35	37	32
Case eggs..... cases-- <sup>1</sup>	1, 002	1, 868	166	1, 082
Total poultry..... pounds--	91	105	103	83
Total beef..... do-----	90	77	64	57
Total pork..... do-----	798	738	886	997
Lard..... do-----	98	92	121	165
Lamb and mutton..... do-----	3	3	4	3
Total meats..... do-----	963	879	1, 025	1, 132

<sup>1</sup> Three figures omitted.

## THE DAIRY SITUATION

Dairy markets have followed a much steadier course since the 1st of April this year than last. Some price changes have occurred, to be sure, but they have been more in line with what may be regarded as normal changes. This is particularly true in the case of butter. Mention was made a month ago of the similarity between butter-price trends this year as compared with 1925, and developments since then have shown an even more striking relation. Through the entire month of April to date (April 25) changes have been almost identical with the changes which occurred during April, 1925, even to the slight advance and immediate decline toward the middle of the month. There is a difference in the price level, of course, April, 1925, having averaged about a cent lower than the probable April average for the current year. In 1925 the month's average of 92-score wholesale prices at New York was 44½ cents, 1926 was 39½ cents, and 1927 was 50½ cents. This comparison gives some idea of what prices were just preceding the flush season each of these years. Regardless of these differences, however, it is interesting to note that May averages each year were not greatly different.

Production is probably the greatest immediate influence in the whole dairy situation, and April is always a month of uncertainty in this connection on account of changeable weather conditions. Estimates of butter production are not available beyond March when, according to official reports, total production was some 3 per cent less than March of last year. Despite this decrease, however, the total for the months of January to March, inclusive, is about 1½ per cent over the same period in 1927. Trade reports since April 1 indicate that current make is now picking up and is even slightly exceeding last year.

Condensed and evaporated milk production in March was some 4 per cent heavier than a year ago, with a similar increase in the whole period since January 1. Cheese production seems to have been checked somewhat by the severe winter weather and snows in Wisconsin during the past month, but this should hardly be regarded as more than a temporary setback.

Coming to that side of the supply situation represented by stocks, all dairy products are in a fairly strong position. Butter stocks in cold storage on April 1 were at a low figure for that date, and since then they have been reduced to what is really an insignificant amount. Cheese stocks on the same date were about what those in the cheese trade had expected, being heavier than the five-year average but well under last year. Canned milk stocks were about 50 per cent heavier than last year, but in view of the fact that last year's stocks on April 1 were the lowest on record for that date, this condition loses all of the significance which it might otherwise have. Furthermore, it is not unusual for these stocks to increase during March, whereas this year there was a substantial reduction. Heavier exports helped to bring this about.

The season for imports of butter is apparently over. Imports for the three months this year, January to March, inclusive, were but 2,500,000 pounds, compared with 3,870,000 pounds in 1927.

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### SOME OBSERVATIONS ON THE RECENT LAMB MARKET

The 1928 marketing season for the crop of late-fed lambs which, according to the views of many, at first promised little in the way of remunerative returns to finishers, is being completed in a manner calculated to justify the expectations of the most optimistic.

Since mid-January, when top choice slaughter lambs of the most desirable weights sold around \$13.60, Chicago basis, the trend of values has been almost continuously upward and such lambs were in strong demand at around \$18 at the close of the third week in April, with corresponding advances in prices of heavier weights.

In the face of apparently increased supplies, the price advance, which was almost identical with the one that occurred in the late winter and spring of 1927 except that the rise this year got under way about four weeks earlier, was at the time rather difficult to explain on the basis of available current market statistics. In view of the usual close relation between lamb prices and market supplies of lamb and the fact that any change in consumer demand is very gradual, the logical explanation of the advance lies on the supply side of the equation.

Receipts of sheep and lambs at the 12 principal markets during the first quarter of this year were considerably larger than in the previous year. They were especially large during February, when the average weekly increase amounted to around 18 per cent. The sharp advance in lamb prices at this time was rather puzzling.

Inspected slaughter figures, however, told a different story. They did not show the increases indicated by market receipts. The number of sheep and lambs slaughtered under Federal inspection during January was 3 per cent larger than in January, 1927, while the average daily slaughter during February and March was slightly less and decreased as the season advanced in about the same manner that it did in 1927.

The apparently large market supplies as indicated by receipts at the principal markets were largely the results of double counting, the intermarket movement being considerably greater than in 1927. The duplication was especially marked during February, when 40 per cent of the receipts at Chicago alone were from other markets, against 8 per cent during February, 1927. The number of lambs slaughtered locally at the principal markets, however, was slightly greater than a year ago, thus indicating that a portion of the apparently large increase in receipts was actual.

The increased market supply was the result of the larger proportion of the total supply of lambs being located in the western feeding areas, all of which move through the large western markets, whereas in 1927 a larger proportion of the lambs were fed in the Corn Belt. With the total and seasonal distribution of lamb supplies practically the same as in 1927, seasonal price changes similar to those prevailing last year would have been expected.

Turning to the supply and price situation at the larger eastern lamb consuming centers, especially New York City, the metropolitan area of which consumes approximately the equivalent of 33 per cent of the total federally inspected slaughter of sheep and lambs, we find that the dressed-lamb market was materially depressed



around the middle of January. This was largely the result of heavy receipts of western dressed lamb carcasses and relatively heavy local slaughter at eastern cities.

All during October, November, and December the New York market had averaged below the year previous. This weakness in prices apparently was, in part, the result of larger supplies of local and western dressed lambs from the large crop of native lambs, many of which were fed for the winter market. In part it was the result of some apparent weakening in consumer demand. Weekly receipts of western dressed lamb averaged around 28,000 carcasses during October, 1927, at which time wholesale prices of choice lamb averaged between \$24 and \$25. During November and December the weekly average receipts dropped to around 25,000 carcasses per week, thus permitting prices to recover slightly. When supplies of western dressed carcasses reached 32,000 for the week ending January 21, wholesale prices declined to around \$23, making a price and supply situation during January this year about the same as during January, 1927, and March, 1926.

The accompanying chart, showing the relation between weekly receipts of dressed lambs at New York and the average price of choice lamb carcasses, indicates how wholesale prices of dressed lamb respond to changes in receipts of western dressed carcasses at that market.

The large receipts of western dressed lambs at eastern points and the relatively heavy total slaughter of sheep and lambs under Federal inspection during January were largely the clean-up of the fed-lamb crop in the middle-western and eastern feeding areas. Following this clean-up there was a sharp shift in the source of supply and apparently a temporary scarcity developed. Receipts of western dressed carcasses during February dropped considerably below January and below February, 1927, totaling only 22,000 carcasses for the week ending February 11. A sharp reduction also occurred in local slaughter at eastern consuming centers, the reduction being especially marked as compared with a year ago.

The strong shipping demand thus created as the result of the shift in the source of supply and the actual scarcity of lamb at eastern cities were largely responsible for the sharp rise in lamb prices during February. This rise occurred in face of apparently increased supplies as indicated by the large receipts at western markets.

Since the middle of January all lamb supplies for consumption at eastern points have decreased in the same manner and approximately in the same volume as of a year ago. Likewise, the trend of average daily slaughter under Federal inspection has been downward during the last three months and the number slaughtered each month has been about the same as that of a year ago.

It is rather interesting to note that despite the slightly larger proportion of heavyweight lambs in the supply this year as compared with 1927, prices for choice dressed lambs of heavyweights have made about the same proportional advance as a year ago and a slightly greater advance than choice lambs of the more desirable weights. The heavier average dressed weight of sheep and lamb slaughter this year amounted to an increase of 1.3 pounds for January and 2 pounds

for February. With live lambs the differential has been rather constant all during the season and at all times about the same as a year ago.

There are several factors or conditions that may tend to account for the relatively good demand for the heavier weights. Higher prices for poultry, beef, and veal as compared with a year ago have probably tended to increase the demand for lamb. Also, the publicity given to the desirability of the heavier cuts and to lamb in general may have tended to increase the demand and help maintain the higher level of lamb prices.

The movement of finished lambs out of western feed lots this season has been particularly orderly, thus preventing any serious accumulations at eastern consuming centers. For 10 weeks, beginning with the week ending February 11 when the marketing season got well under way, loadings of lambs out of the western feeding areas represented each week from 7 to 9 per cent of the total marketings up to April 14. This was the most even distribution in recent years.

Dressed-lamb prices for the season, however, have averaged slightly lower than a year ago, indicating that the favorable factors have been offset by a decreased demand. The latter may have resulted from lower pork prices, but more likely from the less active industrial conditions than those prevailing a year ago.

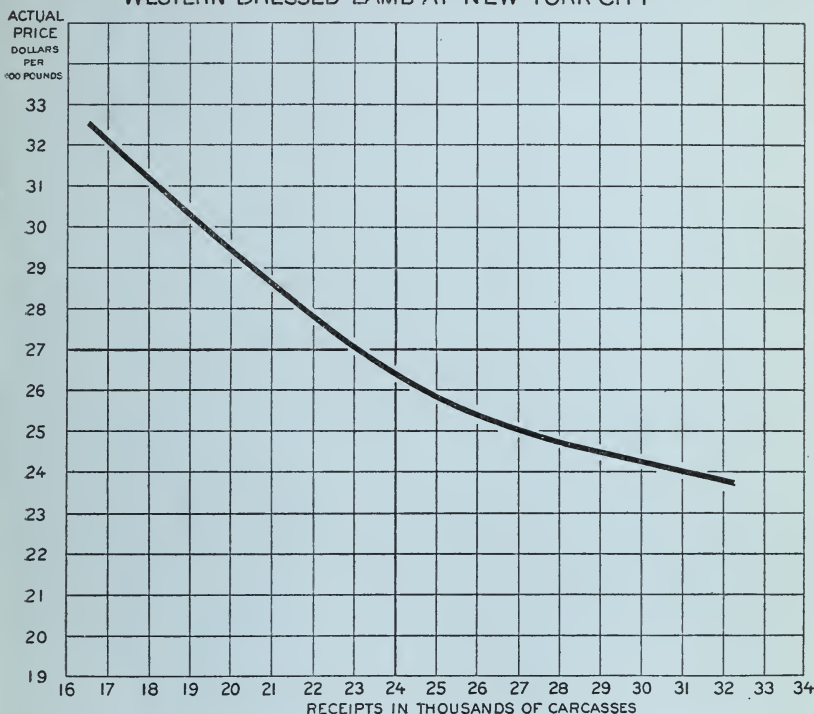
Prices of live lambs have been relatively high compared with prices for such lambs a year earlier, and compared with present dressed-lamb values. Last fall prices of slaughter lambs were strongly supported at the relatively higher level by the keen demand for feeding lambs at the Corn Belt markets. But after the middle of December the present relatively high level, especially as compared with a year ago, may be fully accounted for by the increased wool and pelt values.

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### RELATION BETWEEN THE WEEKLY RECEIPTS AND PRICES OF WESTERN DRESSED LAMB AT NEW YORK CITY

The final consumption of the bulk of the lamb supplies takes place in the large eastern centers of population. The metropolitan area of New York City alone consumes approximately the equivalent of 33 per cent of the total federally inspected slaughter of sheep and lambs. The fluctuations in the volume of supplies at this point have a material effect on dressed lamb prices which are in turn reflected in live-lamb prices at the western markets.

### RELATION BETWEEN THE WEEKLY RECEIPTS AND PRICES OF WESTERN DRESSED LAMB AT NEW YORK CITY



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

This chart shows the inverse relationship that existed between the weekly price and supply of western dressed lamb carcasses in the New York market during the last two years. Large receipts resulted in relatively low prices whereas small receipts were accompanied by high prices.

### REVIEW OF THE WINTER HOG MARKET

Because of the low price of hogs during the winter of 1927-28, compared to the prices during the two previous winters, a comparison of the inspected slaughter of hogs and the disposition of the products from the slaughter during these three winters is of value for explaining this drop in hog prices.



The following table gives most of the essential facts for the period:

Four months, November-February	1927-28	1926-27	1925-26
Inspected slaughter, hogs (head)---	19, 815, 836	15, 911, 625	16, 030, 970
Average live weight (pounds)-----	223. 65	222. 13	228. 36
Total dressed weight (pounds)-----	3, 343, 644, 000	2, 683, 854, 000	2, 788, 527, 000
Production lard-----	673, 593, 000	521, 788, 000	561, 929, 000
Storage Nov. 1—pork-----	467, 119, 000	405, 623, 000	392, 605, 000
Storage Mar. 1—pork-----	885, 916, 000	672, 111, 000	611, 807, 000
Winter accumulation—pork-----	418, 797, 000	266, 488, 000	219, 202, 000
Storage Nov. 1—lard-----	72, 121, 000	72, 355, 000	37, 256, 000
Storage Mar. 1—lard-----	121, 082, 000	77, 390, 000	76, 553, 000
Winter accumulation—lard-----	48, 961, 000	5, 035, 000	39, 297, 000
Exports—pork-----	95, 424, 000	103, 300, 000	178, 404, 000
Exports—lard-----	270, 721, 000	222, 514, 000	256, 982, 000
Indicated domestic distribution <sup>1</sup> ---	2, 509, 741, 000	2, 086, 517, 000	2, 094, 642, 000
Average cost live hogs (per cwt.) <sup>2</sup> ---	\$8. 34	\$11. 75	\$11. 72
Average price pork products (eastern markets) <sup>3</sup> -----	19. 04	25. 24	25. 00
Average price lard (eastern markets) <sup>4</sup> -----	13. 22	14. 02	16. 49
Average price Danish bacon (Liverpool) <sup>4</sup> -----	18. 43	21. 73	27. 67
Average price lard (Liverpool) <sup>4</sup> ---	13. 50	14. 17	17. 52

<sup>1</sup> Total dressed weight minus storage accumulation and exports.

<sup>2</sup> Computed from monthly average costs.

<sup>3</sup> Covers pork loins, skinned shoulders, breakfast bacon, and smoked hams. Weighed by products but not by monthly sales.

<sup>4</sup> Simple average of imported monthly prices.

The table shows that hog slaughter during the winter of 1927-28 was about 25 per cent larger than for the two preceding winters; the total dressed weight of hogs slaughtered was about 25 per cent above the winter of 1926-27 but only about 20 per cent above the winter of 1925-26. The indicated distribution into domestic consumption channels was about 24 per cent larger during the past winter than during each of the two preceding winters.

The average cost to packers of hogs slaughtered the past winter was about 29 per cent below the cost during the two preceding winters, while the average price of leading pork products (excluding lard) was about 25 per cent below. The price of lard, however, was only about 6 per cent below the winter of 1926-27, but was 20 per cent below that of the winter of 1925-26.

The combined exports of pork products and lard the past winter were larger than during the winter of 1926-27 but smaller than for the winter of 1925-26. Lard exports the past winter were larger than for any of the three preceding winters, but pork exports were the smallest in many years; also the ratio of combined pork and lard exports to total dressed weight of hogs slaughtered was the smallest for many years.

Storage accumulations during the past winter were very heavy, and this accumulation continued during March. On April 1 the combined storage stocks of pork and lard were the largest for the date on record, pork products being the second largest and lard stocks the largest for that date.



The monthly distribution of hog slaughter during the past winter was very unusual. While the total winter slaughter has been exceeded in three other years the February slaughter was the largest for February on record and the largest for any of the winter months. In only one other winter has the February slaughter been the largest of the winter. The proportion of the total winter slaughter in November and December was the second smallest on record. For most winters, and especially for the last 10 years, the slaughter in November and December has been a very dependable indicator of the total winter slaughter, but it was far from being such the past winter. The slaughter in November and December the past winter indicated a total winter slaughter of only about 17,000,000 head, while it actually amounted to 19,800,000 head.

The heavy February slaughter was followed by a March slaughter the largest for the month on record, the combined slaughter being the largest on record for these two months.

In view of the relatively unfavorable feeding ratio between corn and hog prices the past winter, this heavy slaughter in February and March was very unusual and can not readily be explained. In part it was doubtless due to the unusual distribution of hogs and corn supplies in the Corn Belt States. The States east of the Mississippi had one of the smallest corn crops on record, of low feeding value, and a relatively large supply of hogs. The marketings from these States were heavy during the early winter when the spring pigs were moving, and heavy marketings in March point to an early marketing of fall pigs. On the other hand, the States west of the Missouri River had a very large crop of corn and a relatively small supply of hogs. The ratio between corn and hog prices was not as unfavorable as in the eastern Corn Belt. The shipments from these States were very small before January 1 and heavy during the next three months.

A study of all the indications as to the total slaughter for the crop year November, 1927, to October, 1928, leads to the conclusion that the increased supply of hogs raised in the Corn Belt in 1927 had largely been marketed by April 1 and that supplies for the balance of the crop year will be little if any larger than last year. The increase in storage holdings April 1 this year over April 1 a year ago was equivalent to over 2,000,000 head of hogs, so that total supplies of products and hogs for the next seven months will probably exceed supplies for the same period in 1927.

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### POTATO PROSPECTS

At this time of the year the growers of late potatoes should be worrying less about the price next week and giving a little more thought to the probable price next fall. Whatever individuals may do, however, there is little reason to expect that the great mass of potato growers will "change their spots" or depart materially from their usual custom of basing their planting programs on the returns secured from recent crops.

The reports which the department received in January indicated that growers were then planning to plant an acreage more than 7 per cent larger than they had planted the previous year and about 10 per cent larger than they had actually harvested. The growers who reported their acreages to the department in March, after prices had improved somewhat, intended to plant an acreage nearly 12 per cent larger than the acreage they had harvested in 1927. Of course there is always some acreage lost from flood, hail, blight, frost, etc., as there was in 1927, and there are always some farmers who do not plant the intended acreage because of changes in plans, unfavorable weather conditions, sickness, financial troubles, etc., but during the five years for which figures are available, the harvested potato acreage has averaged only 2.7 per cent below the acreage which the March reports from growers would seem to indicate as intended.

Putting together all available information, including these intentions reports, the 12 per cent increase in the commercial early-potato sections indicated by the preliminary acreage estimates, the generally confident attitude of potato growers in all parts of the country and the scant probability of any serious glut in the eastern potato markets before planting time, it begins to look as though potato growers could look ahead with a fair degree of confidence to a 1928 potato acreage in the United States of somewhere around 3,800,000 compared with the 3,505,000 acres estimated to have been harvested in 1927. On the whole, there would seem to be more than a 50-50 chance that the acreage available for harvest will exceed this figure, but with price prospects not any too good there is quite a chance that some of the poorer fields will not be harvested.

The yield and production are, of course, dependent on the weather. If the Corn Belt States have a summer as cool as in 1924 we are likely to have a surplus of potatoes almost irrespective of the acreage planted. On the other hand, a hot dry summer like 1921 would mean high prices next fall. About all that can be done at this time of the year is to figure on the yield that may be expected from weather conditions no more favorable than they have averaged during recent years, for at the present time there seems no reason to expect any marked change this season in the other factors that affect the yield. The seed used this year seems likely to average better than that used last year, but fertilizer applications may not be quite so heavy. Approximately the same proportion of total acreage will be in the high-yielding States. A steadily increasing proportion of the total acreage is grown by those farmers who make a specialty of the crop, which tends to increase yields, but, on the other hand, the past figures for some States appear to indicate that the lower the price at planting time the less is the care devoted to the crop and the lower is the yield to be expected from average weather conditions.

Last October reports from growers indicated that they considered potatoes to be 75.3 per cent of a normal crop. Corresponding reports during the previous 10 years averaged 75.9 per cent. This would indicate that, so far as potatoes are concerned, 1927 was only an average season. The yield per acre as finally harvested averaged 114.7 bushels. During recent years the yield has been increasing rapidly due to changes in method of production, increasing concentration in the most productive areas and the widespread use of better seed. Next year, with the probability of prices somewhat lower,

farmers may not make quite the same effort to pick up the seconds; but, on the whole, it would seem that with average weather conditions we must expect a yield of about 115 bushels per acre.

A grower trying to calculate the chances of profit from potatoes this season may figure that there is about an even chance of potato production this season being above or below 435,000,000 bushels. From a study of the variations in growing conditions in past years there would seem to be about twenty-three chances out of a hundred that this season's crop will be less than the 402,000,000 bushels produced last year, and about thirty-seven chances out of a hundred that the crop will exceed the 453,000,000 bushels grown in 1922, when the largest crop on record was produced and when the December farm price in the principal late potato States averaged below 45 cents per bushel.

Each grower must figure prospective profits on the basis of his own costs of production, but for those growers who have not succeeded in reducing their costs, present prospects for profits from potatoes would seem to be less promising than at this season in any recent year, except 1922.

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#### NOTES ON THE FRUIT SITUATION

A forecast of fruit production can be little more than an approximation until some little time after the trees have bloomed in the Northern States and the "June drop" of the apple crop has progressed far enough to permit some calculation of what will be left. Even then the total bushels of fruit to be expected will depend to a considerable extent on moisture conditions during the growing season. However, even though an exact forecast is not possible it is worth while even this early in the season to "size up" prospects, for the time and money a grower can afford to spend on spraying a light set are largely dependent on prospects elsewhere and on the outlook for a good price at picking time.

In 1926 there was a very heavy production of nearly all important fruits, the light crop of California prunes and the moderate yield per acre of California grapes being the chief exceptions. In 1927, considering the acreage in bearing, there was a light crop of nearly all kinds of important fruits except California grapes, which gave about an average yield, and California prunes and apricots, which were somewhat above average. As it rarely happens that so many kinds of fruit are uniformly heavy as in 1926 or uniformly light as in 1927 there seems no reason to expect a total fruit crop as exceptional as those of either the last two years, but the general prospects appear to be more like those of 1926 than they are like those of 1927.

Fruits have been severely damaged by frost in parts of the Middle West, the damage apparently ranging from nearly complete destruction of blossoms in parts of Kansas and Oklahoma to the nipping of part of the peach, pear, and plum blossoms in an area extending from the southern Ohio Valley region to New Mexico and south into the northern counties of the Cotton Belt. Elsewhere frosts appear to have done relatively little damage as yet. Apples have mostly escaped injury; few sections report trees blooming prema-



turely, and most of the more important fruit sections are still hoping for good crops. After a uniformly light crop last year, northern tree fruits are expected to show a good bloom.

The condition of peaches in 10 Southern States on April 1 was reported as 83.5 per cent of normal, compared with 56 last year. This gives no assurance of a corresponding increase in production, but it would seem to indicate that a large crop of southern peaches is still possible.

A record acreage of strawberries is expected and prospects are still fairly good. A fairly large acreage of cantaloupes seems probable. Reports from the citrus section would seem to indicate prospects averaging better than they were a year ago and the acreage in bearing is increasing. On the whole, it begins to look as though 1928 would ultimately be classed as a year of relatively heavy fruit production.

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### WORLD WHEAT CROP AND MARKET PROSPECT

Advancing wheat prices, together with a good continental European demand, are favorable for marketing the remainder of our export surplus of hard winter and hard red spring wheat. The increased wheat surplus in Canada as compared to last year is offset by reduced surpluses in the Southern Hemisphere, the Balkans, and Russia. Prices are advancing in foreign markets as well as in the United States where the average of all wheat prices is now higher than in the corresponding month last year for the first time since August. Unfavorable growing conditions for the new crop both in the United States and northern Europe are strengthening factors.

The estimated world supply of wheat shows little change during the past month. Production in 46 countries, exclusive of Russia, amounts to 3,485,000,000 bushels, which is 4 per cent above the 3,352,000,000 produced by them in 1926.

Total supplies of grain reported in the four principal exporting countries are somewhat larger than at the same time last year. The United States visible supply on March 31 was 73,000,000 bushels, which is 19,000,000 bushels greater than at the same time last year. Canadian visible supply on March 31 was 144,000,000 against 109,000,000 a year ago. The supply in the western grain division on March 30, was 120,000,000 bushels, or 23,000,000 greater than in the preceding year. This increase in the North American visible supply is partially offset by decreases in the indicated exportable surpluses in Argentina, Australia, and Europe. The exportable surplus in Argentina on April 12 is estimated to be 27,000,000 bushels below that of a year ago and the surplus in Australia on April 1 is estimated to be about 10,000,000 below. There is no prospect of any significant export from Russia for the balance of the year, whereas last year there were 8,000,000 bushels shipped out between April 1 and June 30.

Net exports since the beginning of the season as far as they are reported for all important exporting countries amount to 604,000,000 bushels, compared with 613,000,000 for the same period last year.



Latest reports of wheat imports into European countries since the 1st of July total 371,000,000 bushels, which is only 12,000,000 above takings in the corresponding period last year. Depletion of domestic European stocks, the growing scarcity and increasing prices of rye and some concern over the 1928 crop caused by winter killings and by the cold weather in March which delayed spring sowing are all factors stimulating purchases and now seem to indicate that the European demand for the balance of the season, with the possible exception of France, may closely approximate the high figures for the corresponding period of last year.

New crop production prospects are beginning to be an important factor in the market. Low condition in the United States and unfavorable conditions in parts of Europe may offset to a considerable extent increases in area of seedings. The total area seeded as reported to date amounts to a little more than one-half of the world's total wheat crop and is about 4 per cent greater than last year.

A large part of this increase, however, is in the United States, and much of it may be eliminated by abandonment. The April 1 condition is about as bad as in 1925, when about 20 per cent of the fall seeded area was abandoned.

Nine European countries report a total increase of 1.6 per cent over last year, but the area seeded in these countries is still less than in 1926. The significance of the reported increase in Russia is subject to modification by condition and abandonment. India may be harvesting a crop slightly larger than last year, but the increase, if any, will not be a significant factor in the world's markets.

#### 1928 WHEAT AREA AND CONDITIONS

Total winter wheat acreage for 16 countries reported to date, exclusive of Russia, is 137,680,000 acres, which is still 4 per cent greater than the area reported for the same countries last year, when they accounted for 56 per cent of the total world winter and spring acreage exclusive of Russia. The total winter wheat acreage of the 15 foreign countries reporting is 89,783,000 acres, or only 1.4 per cent above winter acreage for those countries last year. An estimate of Russian winter wheat acreage is also now available, 27,794,000 acres, which is 2.7 per cent above last year's acreage, but offset by a decrease in rye acreage.

Early condition reports continue to indicate little change in the size of the winter wheat crop as compared with last year, but the plant is not yet advanced enough to form the basis for any actual estimation of the harvest. The condition of winter wheat in the United States on April 1 is 68.8 per cent of normal compared with 84.5 per cent at this time last year. The official report of the amount of area abandoned will not be available until May 9.

In Europe there was a cold wave about the middle of March which is believed to have caused some additional damage to the growing crop. Conditions appear to continue poorer than last year in northern Europe, which is at least partially balanced by good conditions in the south, leading to early indications of a crop for Europe outside of Russia not far from that of last year. The condition of the German crop on April 1 was only 84 per cent of the 10-year average, compared with 109 per cent at that time last year. Conditions in

southern Italy where durum is grown are excellent, whereas last year drought was being felt. For Russia the situation is uncertain. It is generally reported that there has been more or less winter killing, but the Commissariat of Agriculture states that the condition of winter cereals is favorable in the greater part of the country. Losses are reported in Ukraine and Crimea.

Reports available for North Africa are favorable to a crop as large as last year in the three countries where durum is an important part of the crop.

India's second estimate of acreage, of 31,332,000 acres, is 0.5 per cent above the corresponding estimate for last year. Conditions of the growing crop appear to be about average, whereas last year the yield per acre was slightly below the 10-year average. The first estimate of production in the Punjab, which grows about a third of the Indian crop, is 123,568,000 bushels, compared with a crop of 128,091,000 last year, but the Punjab acreage was also less than last year's.

Work on the spring crop has been delayed in Europe by cold weather in March. In Canada the amount of fall plowing last year was small compared with the average, but the total was greater than in the preceding fall, amounting to 28 per cent of the area intended for 1928 crops, compared with 20 per cent for 1927 crops and 26 per cent for 1926 crops. Seeding was general in Alberta the first week in April, which gives promise of an early completion of seeding. Last year only 10 per cent of the spring wheat area of that Province was completed in April. In Russia sowing of spring cereals has begun in the south, but the Government has difficulty in supplying implements in some districts. It also has a problem in coping with the efforts of the rich peasants to reduce acreage.

Weather conditions up to the first week in March were favorable to an increased Australian acreage for the new crop, for which seeding will begin in May. A continuance of these favorable conditions will not necessarily result in increased acreage, according to a Sydney correspondent of this bureau, since wheat growers generally are carrying a fair number of sheep, and have found wool more profitable than wheat the past two years.

(From report of this bureau, issued April 18, 1928.)